

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: January 31, 2017

LEAVE ACCOUNTING LETTER #17-003
(Civil Service Only)

TO: All Agencies in the California Leave Accounting System (CLAS)

FROM: Debra Spellman, Chief
Personnel/Payroll Services DivisionRE: **NEW BENEFIT AND TRANSACTION CODE FOR SAVINGS PLUS**

The State Controller's Office's CLAS Unit created a new tracking system for the 2017 Excluded Employee Leave Buy Back Program. A new 'Savings Plus Bank' benefit (SV) as well as a new 'Buy Back – Sav Plus' (38) transaction code are available as of February 2017, so that Vacation or Annual Leave accruals may be set aside for excluded employees who elect to transfer future leave credits into a Savings Plus 457(b) and/or 401(k) Plan account. Since eligible employees were required to enroll in this program by the end of December 2016, future accruals are those earned during the months of January through May 2017.

Because the program is irrevocable, and departments will be notified in April 2017 if the state has sufficient funds to offer the Program in FY 2016-17, it is necessary for the department Human Resources staff to set aside future accruals by transferring them into the Savings Plus Bank benefit, thereby preventing employees from using those accruals. The Transfer To (46) and Transfer From (47) transactions will be utilized to transfer the hours from Vacation or Annual Leave to the new Savings Plus Bank benefit.

Because the hours accrued for the Vacation and Annual Leave benefits are not available until the first of the following month, the accruals for January through May will be transferred during the months of February through June. For example, the accrual earned in January 2017 is available as of the February leave period. Therefore, HR staff will post the 46 and 47 transactions to the February leave period the day after the January accruals are posted for their department. This must be done each month until all elected hours have been transferred or until the conclusion of the program, when the department determines whether or not they will participate.

Once all elected hours have been transferred, and if the department has determined they will participate in the Buy Back program, the HR staff will then key a payroll transaction, transferring the monies to the employee's Savings Plus 457(b) and/or 401(k) Plan account, and key the new Buy Back – Sav Plus (38) transaction code to the new Savings Plus Bank (SV) benefit, indicating that the hours have been contributed to the employee's Savings Plus account. It is important to note the Buy Back – Sav Plus transaction may only be keyed on LAS, will not generate payment, and should only be keyed at the same time the payroll transaction is keyed. In the future, a payroll letter will be issued with detailed information on the processing of the payroll transaction.

Since there is the possibility of departments deciding not to participate in the program, or approving employees to buy back an amount less than what they have elected, detailed instructions have been added to the CLAS Website. These instructions may be found on the CLAS Procedures page or accessed directly at the following link:

<http://www.sco.ca.gov/Files-PPSD/SAVINGS%20PLUS%20BANK.pdf>.

Regarding the employee's direct deposit advice or payroll warrant, participating employees should be informed that their Vacation or Annual Leave accruals that will be converted are not available for use, even though they will continue to appear on the leave accounting statement at the bottom of their advice/warrant. Additionally, the new Savings Plus Bank benefit will not appear on their monthly statement at the bottom of their advice/warrant, since those hours are being set aside and are not available for use. Because of the timing of the accruals vs. the transfers, as well as the timing of the leave accounting statement on the bottom of the advice/warrant, it was determined the listing of the new benefit may cause participating employees confusion regarding what hours have been transferred and/or are available.

For more information regarding the 2017 Excluded Employee Leave Buy Back Program, please reference the California Department of Human Resources' Personnel Management Liaison Memo #2016-032 at the following link: <http://www.calhr.ca.gov/PML%20Library/2016032.pdf>. If you have any questions regarding this letter, please contact the Leave Accounting Liaison at (916) 327-0756.

DS:EP:CLAS